

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

NATURAL GAS PIPELINE COMPANY
OF AMERICA

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

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* Enforcement Tracking No.
* AE-P-00-0403
*
* Docket No. 2002-6922-EQ
*
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SETTLEMENT

The following Settlement is hereby agreed to between Natural Gas Pipeline Company Of America (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation who owns and/or operates a natural gas compressor station facility at located at or near 652 Deep Bayou Road, Johnson Bayou, Cameron Parish, Louisiana (“the Facility”). The facility operated under Title V Operating Permit No. 0560-00051-V1 issued December 3, 1998, until Title V Operating Permit No. 056-00052—V2 was issued on December 20, 2000.

II

On June 12, 2001, the Department issued a Penalty Assessment, Enforcement No. AE-P-00-0403, in the amount of FIFTY-ONE THOUSAND SIXTY-EIGHT AND 48/100 DOLLARS (\$51,068.48) to Respondent, which was based upon the following findings of fact:

On or about March 24, 2000, an inspection of the Respondent's Compressor Station 342 was performed to determine the degree of compliance with the Act and air Quality Regulations.

The following violations were noted during the course of the inspection:

1. Natural Gas Pipeline Company of America failed to monitor sulfur and nitrogen values in its fuel source on a daily basis nor does the facility have an approved custom monitoring schedule. This is a violation of 40 CFR 60.334(b)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003.
2. Natural Gas Pipeline Company of America failed to submit a semi-annual report of monitoring for the period January 1, 1999 through June 30, 1999. This is a violation of Part 70 General condition K of permit no. 056-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

On or about October 23, 2002, a Notice of Potential Penalty (NOPP), Enforcement Tracking No. WE-PP-00-0259, was issued for the above cited violations.

On or about November 4, 2000, the Department received a written response from the Respondent dated November 3, 2000. The response contained comments relating to the NOPP. The response presented information regarding the Respondent's investigation of the violations cited in the NOPP, actions taken as a result of the violation, and measures taken to assure the violation will not recur.

III

In response to the Penalty Assessment, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, the Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00) of which EIGHT HUNDRED FORTY-EIGHT AND 48/100 DOLLARS (\$848.48) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Penalty Assessment and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action the Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement.

IX

This settlement is being made in the interest of settling the state's claims and avoiding for

both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Cameron Parish. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Penalties are to be made payable to the Department of Environmental Quality and mailed to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303.

XII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

WITNESSES:

Joseph P. Lundy

RESPONDENT

BY:

[Signature]
(Signature) NVK
T.J. Carroll

(Printed)

TITLE: Vice President & General Counsel

Patricia J. Wilbani

THUS DONE AND SIGNED in duplicate original before me this 25th day of November, 20 03, in Lakewood, Colorado

Virginia Lee Lowry
NOTARY PUBLIC

My comm. expires 11/05/07

WITNESSES:

Peggy M. Hatch
Wally Smith

STATE OF LOUISIANA
Hall Bohlinger, Secretary
Department of Environmental Quality

BY: [Signature]
R. Bruce Hammatt, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 29 day of April, 20 04, in Baton Rouge, Louisiana.

Christopher A. Ratetoff
NOTARY PUBLIC

Approved: [Signature]
R. Bruce Hammatt, Assistant Secretary



CHARLES C. FOTI, JR.
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
P.O. BOX 94005
BATON ROUGE
70804-9005

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APR 21 2004
LA. DEPT. OF ENV. QUALITY
LEGAL AFFAIRS DIVISION

April 19, 2004

Mike D. McDaniel, Secretary
La. Department of Environmental Quality
Office of the Secretary
P.O. Box 4301
Baton Rouge, LA 70821-4301

Re: Review of DEQ Settlement;
Natural Gas Pipeline Co. of America
AE-P-00-0403

Dear Secretary McDaniel:

Pursuant to the authority granted to me by R.S. 30:2050.7(E)(2)(a), I approve the above referenced settlement.

Sincerely,


NICHOLAS GACHASSIN
First Assistant Attorney General

NG/cbw